



# Department of Health Care Policy and Financing

## Hot Topics

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*The Mission of the Department of Health Care Policy and Financing is to provide cost-effective, quality health care services to Coloradans.*

*"My vision remains the same – that high quality, affordable health care is available to every Coloradan."*

*Governor Bill Ritter*

### ***Staying in touch with legislators***

At the Department we have a responsibility and desire to provide honest and complete information to the public. We take very seriously our role in empowering our clients to make informed decisions concerning their health and strongly believe this can only be accomplished through open, candid, and continuous communication on the myriad issues affecting Colorado communities.

We have initiated this publication as a means to inform you of issues related to the Department. Our intention is to arm you with basic information and updates on legislation so that you are better equipped to handle questions raised by your constituents and colleagues. Please let us know if there are specific concerns you would like to see addressed in our next publication. This publication will be emailed to you on a biweekly basis. If you do not wish to receive this publication please let us know and we will remove you from our distribution list.

### ***Governor's Building Blocks***

The "Building Blocks to Health Care Reform" plan announced by Governor Ritter last month is a comprehensive approach to containing costs, improving quality and expanding availability of care, with much of its focus on children's health and system-wide efficiencies. The plan calls for a \$25M General Fund request that will leverage significant federal support and result in a \$63M investment in health care in FY 08-09 without identifying a new revenue stream. The plan calls for building block strategies in several high-priority areas, including expanded children's health coverage, creation of a new Center for Improving Value in Health Care, greater efficiencies in public and private health care, and better transparencies to assist consumers. An important piece to understand is that the component pieces of the budget package are inter-connected: you cannot responsibly expand eligibility in public programs and the medical home model if there aren't doctors willing to participate in the program and treat the children. Therefore, we need to increase reimbursement rates to make the eligibility expansion successful. Because of the inter-connected nature of the program's components, the package should be considered as just that – a package. All of the recommendations in this package closely follow the recommendations of the 208 Commission.

### ***New Enrollment Figures for CHP+***

The Child Health Plan *Plus* program provides affordable health insurance to children 18 and under in low-income families who do not qualify for Medicaid and do not have private insurance. Beginning in FY 02-03, the program began offering health benefits to low-income pregnant women who are not eligible for Medicaid. Effective March 1, 2008, eligibility in the program was expanded to an equivalent of 205% of the federal poverty level for both children and pregnant women. Over 13,000 new children have been enrolled in CHP+ since January of 2007.

*Department of Health  
Care Policy and  
Financing  
1570 Grant St.  
Denver, CO 80203  
(303) 866-2993  
Fax (303) 866-3883  
[www.chcpf.state.co.us](http://www.chcpf.state.co.us)*

### ***Preferred Drug List***

The Pharmacy and Therapeutics Committee held their first meeting on December 4, 2007. The committee consists of physicians, pharmacists and client representatives, and the meetings are open to the public. The committee performs clinical reviews of drug classes and makes recommendations to the Department regarding the Preferred Drug List. The first drug class reviewed by the committee was the proton pump inhibitors (PPIs). The PPIs became effective on the Preferred Drug List on February 1, 2008. The committee has also reviewed respiratory inhalants, statins and non-benzodiazepine sedative-hypnotics. These drug classes will become effective on the Preferred Drug List on April 1, 2008. The next drug classes subject to review include long-acting opiates, antihistamines, skeletal muscle relaxants and angiotensin II receptor antagonists, with an anticipated effective date of July 1, 2008. As a component of the Preferred Drug List program, the Department has successfully negotiated supplemental rebates with drug manufacturers for many of the agents designated as preferred drugs.

### ***Audits***

The Program Integrity section of the Department is mandated by federal law to monitor all provider types for overuse, abuse and fraudulent use of public funds. There is a high degree of accountability for the state and federal matching funds spent on Medicaid services or items delivered by enrolled providers to eligible recipients. In an effort to review every provider group, audits may be announced or unannounced, conducted via desk audit or claims review and identified by referral or random selection from statistical analysis. Providers have a signed agreement with the Department that clearly defines the many conditions of participation as a Medicaid provider, including being audited.

### ***Home Health Telemedicine***

Senate Bill 07-196 (Sen Hagedorn, Rep Massey) created the authority to use telemedicine to complement existing Home Health services in the Medicaid program. By the end of January, 2008, the Department had filled the allotted FTE and had also committed additional personnel resources to address the implementation of the program. The implementation team held a state-wide teleconference with home health providers on Thursday, March 6, 2008. In addition to the provider meeting, the team also been gathering feedback from many internal stakeholders. Using the information from these meetings, the Department has since developed a program concept that meets the intent of the law while incorporating the feedback from both the provider community and the internal stakeholders. The current implementation plan calls for a phased roll-out over the next two years. The implementation team plans to schedule another provider teleconference during the month of April to discuss the concept proposal and roll-out plan.

### ***Proposed Trust and Estate Recovery Legislation***

This legislation intends to address issues whereby individuals have sufficient resources to pay for their own care, yet they become eligible for Medicaid by using strategies such as shielding assets, transferring property, etc. The goal of this legislation is to protect the rights of parents and others to plan for and protect the future of their loved ones with disabilities; create a framework for Medicaid to be focused on the most vulnerable population; and partner with caregivers and service providers to our clients to create a framework that meet these goals. The Department has been working with concerned citizens and clients, health care advocates, lawyers, providers, and state government employees to rewrite some of the provisions of the proposed legislation in order to address outstanding issues and concerns.

For more information on these or other topics, please contact Nicole Storm, Legislative Analyst, at 303-866-3180, [Nicole.Storm@state.co.us](mailto:Nicole.Storm@state.co.us)